

**REVENUE DEPARTMENT[701]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code sections 421.14 and 422.68, the Department of Revenue hereby adopts amendments to Chapter 38, “Administration,” Chapter 40, “Determination of Net Income,” Chapter 43, “Assessments and Refunds,” Chapter 46, “Withholding,” Chapter 50, “Apportionment of Income for Resident Shareholders of S Corporations,” and Chapter 52, “Filing Returns, Payment of Tax and Penalty and Interest,” Iowa Administrative Code.

Notice of Intended Action was published in IAB Vol. XXXII, No. 15, p. 1792, on January 13, 2010, as **ARC 8481B**.

Item 1 amends rule 701—38.19(422) to provide that the indication of dependent child health care coverage on Iowa individual income tax returns will be mandatory starting with the tax year beginning January 1, 2010.

Item 2 amends rule 701—40.1(422) to reference new rules 701—40.73(422) and 701—40.74(422).

Item 3 amends rule 701—40.3(422) to provide that Iowa Jobs Program bonds are exempt from Iowa income tax.

Item 4 amends the implementation clause for rule 701—40.3(422).

Items 5 and 6 amend rule 701—40.47(422) to provide additional examples and clarification on the partial exclusion from Iowa individual income tax of pension and other retirement benefits for disabled individuals, individuals who are 55 years of age or older, surviving spouses and survivors.

Item 7 adopts new rule 701—40.73(422) relating to the exclusion for Iowa individual income tax of health care benefits of nonqualified dependents.

Item 8 adopts new rule 701—40.74(422) relating to the exclusion for Iowa individual income tax of AmeriCorps Segal Education Awards.

Item 9 adopts new subrule 43.8(5) to reflect the repeal of the livestock production credit refund for refund claims filed on or after November 1, 2008.

Item 10 amends the implementation clause for rule 701—43.8(422).

Item 11 amends subrule 46.9(2) to reflect the repeal of the alternative credit for housing assistance programs for Iowa withholding tax.

Item 12 amends the implementation clause for rule 701—46.9(422).

Item 13 amends rule 701—50.7(422) to clarify that if an Iowa resident taxpayer claims the S corporation apportionment credit, the resident taxpayer can still claim an out-of-state tax credit for taxes paid to another state or foreign country for income other than S corporation income.

Item 14 amends subrule 52.10(5) to provide that the Department of Revenue will now issue the tax credit certificates for certain sales taxes paid by a third-party developer.

Item 15 amends the implementation clause for rule 701—52.10(15).

Item 16 adopts new subrule 52.27(4) to provide that owners of small wind energy systems operating within a small wind innovation zone are eligible for the renewable energy tax credit for corporation income tax.

Item 17 amends the implementation clause for rule 701—52.27(422,476C).

Item 18 adopts new rule 701—52.42(16,422), which provides for a disaster recovery housing project tax credit for corporation income tax.

These amendments are identical to those published under Notice of Intended Action.

These amendments will become effective April 14, 2010, after filing with the Administrative Rules Coordinator and publication in the Iowa Administrative Bulletin.

These amendments are intended to implement 2009 Iowa Acts, House File 810 [Iowa Code Supplement section 476.48]; Iowa Code section 15.331C as amended by 2009 Iowa Acts, Senate File 142; 2009 Iowa Acts, Senate File 376 [Iowa Code Supplement section 12.87]; Iowa Code sections 422.7 and 422.12M as amended by 2009 Iowa Acts, Senate File 389; 2009 Iowa Acts, Senate File 457 [Iowa Code Supplement section 16.191]; Iowa Code sections 15E.196, 422.120, 422.121 and 422.122

as amended by 2009 Iowa Acts, Senate File 478; and Iowa Code section 422.7 as amended by 2009 Iowa Acts, Senate File 482.

EDITOR'S NOTE: Pursuant to recommendation of the Administrative Rules Review Committee published in the Iowa Administrative Bulletin, September 10, 1986, the text of these amendments [amendments to Chs 38, 40, 43, 46, 50, 52] is being omitted. These amendments are identical to those published under Notice as **ARC 8481B**, IAB 1/13/10.

[Filed 2/19/10, effective 4/14/10]

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[For replacement pages for IAC, see IAC Supplement 3/10/10.]